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25 June 1979

REUTER 1526
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AM-GRAIN
WASHINGTON, JUNE 25, REUTER - THE CENTRAL INTELLIGENCE AGENCY (CIA) BELIEVES THE SOVIET UNION WILL IMPORT LARGE AMOUNTS OF GRAIN OVER THE NEXT 12 MONTHS BECAUSE OF A SHARPLY REDUCED CROP THIS YEAR, CONGRESSMAN GLENN ENGLISH SAID TODAY.

IN AN INTERVIEW, THE OKLAHOMA DEMOCRAT SAID THE CIA TOLD A CLOSED HOUSE AGRICULTURE COMMITTEE BRIEFING THAT SOVIET GRAIN PRODUCTION WOULD PLUNGE TO ABOUT 185 MILLION METRIC TONS THIS YEAR FROM THE RECORD CROP EXCEEDING 237 MILLION METRIC TONS IN 1978.

CONSEQUENTLY, THE USSR WOULD NEED TO IMPORT A TOTAL OF 30 TO 35 MILLION TONS OF GRAIN OVER THE NEXT 12 MONTHS, WITH ABOUT 25 MILLION TONS OF THAT EXPECTED TO COME FROM THE UNITED STATES, MR ENGLISH SAID IN QUOTING THE CIA ESTIMATES.

HE ACKNOWLEDGED THAT THE SOVIETS WOULD NEED U.S. GOVERNMENT APPROVAL TO IMPORT THAT MUCH GRAIN.

UNDER AN AGREEMENT BETWEEN THE TWO NATIONS, THE USSR CAN IMPORT A MAXIMUM OF EIGHT MILLION METRIC TONS OF WHEAT AND CORN A YEAR; BUT PURCHASES ABOVE THAT REQUIRE U.S. APPROVAL.

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AM-GRAIN 2 WASHINGTON

THE SOVIET CROP THIS YEAR HAS BEEN PLAGUED BY UNUSUALLY HOT AND DRY CONDITIONS.

IN RECENT YEARS, SOVIET GRAIN IMPORTS HAVE FLUCTUATED BETWEEN 10 AND 25 MILLION METRIC TONS A YEAR, DEPENDING ON ITS CROP SIZE.

CORN AND WHEAT PRICES HAVE SURGED SINCE LATE MAY IN RESPONSE TO THE DETERIORATING CROP CONDITIONS IN THE SOVIET UNION AND THE UNEXPECTEDLY STRONG DEMAND FROM OTHER GRAIN IMPORTING NATIONS.

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